

## GUIDE TO CHARGES ON YOUR PHONE BILL

**Number Portability Charge.** The FCC allows local phone companies to charge customers a fee to recover some of the costs they incur to upgrade their networks to allow customers to keep the same phone number if they change to a new local phone provider. Local telephone companies may continue to assess this charge on customers' telephone bills for a period of five years from the date the company first begins collecting the charge. Customers have to pay this fee every month whether they change to a new local carrier or not. More information about the Number Portability Charge can be viewed at the FCC website: [http://www.fcc.gov/Bureaus/Common\\_Carrier/Factsheets/portable.html](http://www.fcc.gov/Bureaus/Common_Carrier/Factsheets/portable.html)

**Federal Access Charge.** The FCC authorizes local telephone companies to assess customers this charge to help cover the cost of providing service. The charge is also known as the subscriber line charge. The amount of the charge depends on whether the line is a primary residential line, secondary residential line, single-line business line, or multiple-line business line.

**Federal Universal Service Fund.** All telecommunications companies that provide service between states, including long distance companies, local telephone companies, wireless telephone companies, paging companies, and payphone providers, must contribute to the federal Universal Service Fund. The money is used to provide discounts to qualifying low-income consumers, to provide financial support to companies providing service in high-cost areas, and to provide discounts for enhanced services to schools, libraries and rural health care providers. Most long distance companies have been passing along their Universal Service Fund expenses to their customers as either a flat monthly fee or a percentage of long distance charges. This fee has just recently been added to some local phone bills as a set monthly fee. More information about the Federal Universal Service Fund can be viewed at the FCC website: <http://ftp.fcc.gov/cgb/consumerfacts/usfincrease.html>

**Montana Telecommunications Access Service \$.10 and Montana 911 Emergency Service Fund \$.50.** Both of these charges were implemented by the Montana Legislature. The \$.10 funds the program that provides telecommunications devices and relay services for the deaf and hard-of-hearing and the \$.50 helps to fund the 911 emergency system.

**Federal Excise Tax.** This tax is 3% of telephone charges on your bill. This tax was originally started in 1898 to pay for the Spanish-American War. Now the proceeds go to the U.S. Treasury as general revenue. For more details on this tax, contact the Internal Revenue Service Excise Tax Branch.

**Montana Telecommunications Excise Tax.** This tax is 3.75% of telephone charges on your bill. HB128, approved by the 1999 Montana Legislature, reduced telecom property taxes and abolished the telecommunications license tax. It created this excise tax to replace the money lost due to the reduced property tax and elimination of the license tax. See MCA 15-53-129 for more information.

**Extended Area Calling.** Some local phone companies have been given approval to expand the local calling area in various exchanges. The company then charges a fee to recover its costs to set up extended area calling as well as to recover its lost long distance revenues resulting from toll calls becoming local calls. This is a per-line charge assessed to customers on flat rate service.